

LASSEN COUNTY ECONOMIC FORECAST

Lassen County is one of the northernmost counties in California. It is approximately the same size as the state of Connecticut. The county's name was derived from Mount Lassen, which is actually in neighboring Shasta County. Lassen County has a population of 30,600 people and a total of 10,300 wage and salary jobs. The per capita income in Lassen County is \$36,282 and the average salary per worker is \$60,096.

The largest employers in the county are public institutions; approximately 60 percent of all jobs in the county are in the public sector. The penitentiaries and correctional institutions in Susanville and Herlong account for a large portion of these jobs. These facilities employ more than 2,500 people and house more than 10,000 inmates.

In 2016, a total of 150 wage and salary jobs were lost in Lassen County, representing a decline of 1.4 percent. Despite overall job losses, the unemployment rate continued to improve, falling from 7.3 percent in 2015 to 6.9 percent in 2016.

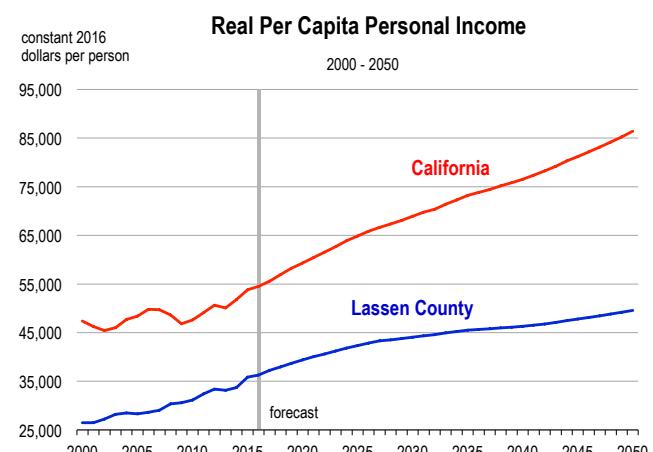
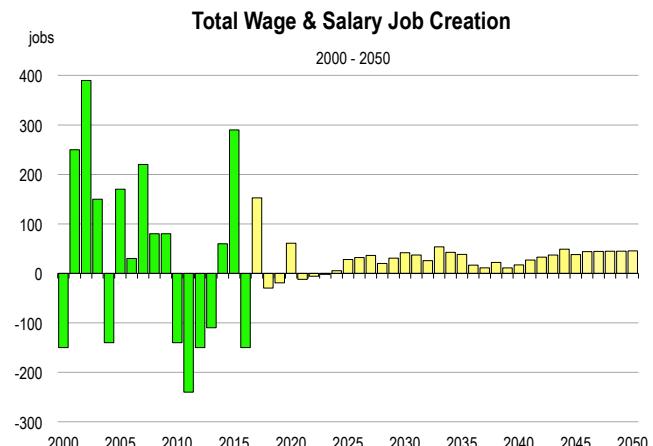
Over the course of 2016, the largest job gains were observed in government (+30 jobs), information (+30 jobs), and construction (+20 jobs). The largest losses were in education and healthcare (-60 jobs) and leisure and hospitality (-50 jobs).

Between 2011 and 2016, the population of Lassen County declined rapidly, falling by 2.4 percent per year. This decline was entirely the result of out-migration, as an average of 840 net migrants left the county each year. In addition, because of an ageing population, the natural increase (new births) was relatively low, adding only 75 individuals to the population each year.

Over the long term, population growth in Lassen County is expected to be minimal, placing the local economy at serious risk of stagnation. Job growth is expected to be very slow, and income growth is forecast to lag the statewide average by a substantial margin.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.5 percent in 2017. Job losses will occur in some years, and over the entire 2017-2022 period, total employment growth will be flat, with Lassen County neither gaining nor losing a significant number of jobs.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Lassen County, inflation-adjusted salaries are expected to rise by an average of 1.4 percent per year between 2017 and 2022.
- Between 2017 and 2022, the largest job gains will be observed in healthcare and education, wholesale and retail trade, and



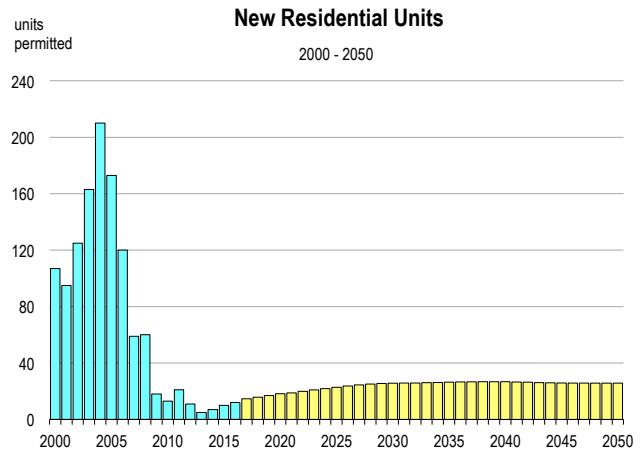
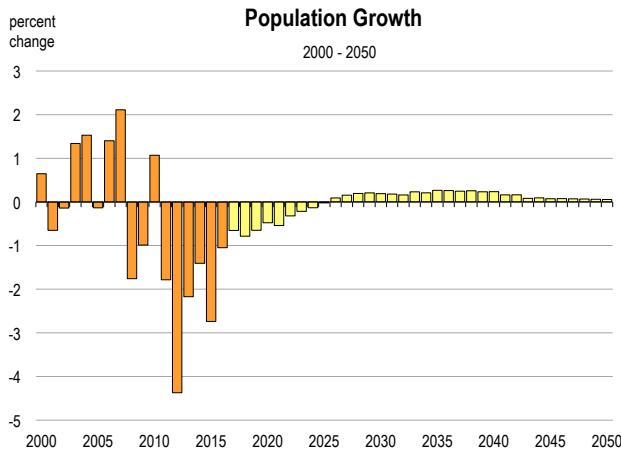
information. These sectors will each generate between 10 and 20 new jobs. Losses will be observed in the government sector, which will shed approximately 40 jobs.

- Over the forecast period, the size of the population is expected to decline by 0.6 percent per year. The county will lose an average of 230 residents each year through net migration, and will gain only 60 residents per year through the natural increase (new births).
- Real per capita income is expected to increase by 2.7 percent in 2017. Over the 2017-2022 period, growth will average 1.7 percent per year.
- Over the next five years, inflation-adjusted taxable sales are expected to increase at an average rate of 1.4 percent per year.
- Industrial production will increase by a substantial margin in 2017, but over the following five years, industrial production will decline by 2.4 percent per year.

Lassen County Economic Forecast

2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	35,145	-179	37.1	10.1	13	\$219.5	\$0.97	\$31,169	1.3	83.8	84.8	14.1
2011	34,519	-726	36.4	10.0	21	\$234.6	\$1.02	\$32,392	2.7	111.5	82.1	13.5
2012	33,011	-1,538	35.2	10.0	11	\$241.9	\$1.03	\$33,401	2.7	109.0	75.8	12.5
2013	32,295	-780	35.7	9.9	5	\$256.1	\$1.01	\$33,159	2.3	131.1	70.7	10.6
2014	31,841	-543	35.8	9.9	7	\$264.2	\$1.03	\$33,727	2.8	130.3	59.7	9.1
2015	30,969	-957	36.5	9.9	10	\$295.3	\$1.09	\$35,850	2.6	129.6	44.1	7.3
2016	30,645	-393	37.1	9.8	12	\$316.0	\$1.11	\$36,282	3.0	130.5	38.9	6.9
2017	30,445	-265	37.2	9.8	15	\$326.9	\$1.17	\$37,247	3.1	130.8	56.0	6.2
2018	30,206	-303	37.2	9.8	16	\$338.2	\$1.21	\$37,964	3.0	131.2	48.6	5.9
2019	30,010	-259	37.2	9.8	17	\$354.7	\$1.26	\$38,706	2.6	131.5	48.8	5.8
2020	29,866	-204	37.3	9.8	18	\$372.5	\$1.32	\$39,424	3.1	131.8	52.8	5.9
2021	29,705	-221	37.3	9.8	19	\$386.1	\$1.37	\$40,033	3.0	132.2	51.3	6.0
2022	29,610	-153	37.3	9.9	20	\$401.6	\$1.42	\$40,613	3.0	132.5	52.2	6.1
2023	29,546	-121	37.3	9.9	21	\$417.8	\$1.48	\$41,207	3.0	132.9	53.9	6.3
2024	29,507	-96	37.3	9.9	22	\$434.5	\$1.53	\$41,811	2.9	133.2	54.8	6.5
2025	29,503	-58	37.4	9.9	23	\$452.0	\$1.59	\$42,356	2.9	133.6	56.4	6.6
2026	29,530	-27	37.4	9.9	24	\$468.5	\$1.65	\$42,867	2.8	133.9	57.7	6.6
2027	29,576	-7	37.5	9.9	24	\$485.1	\$1.70	\$43,331	2.9	134.3	59.2	6.6
2028	29,633	7	37.5	9.9	25	\$499.4	\$1.76	\$43,522	2.7	134.7	60.9	6.6
2029	29,695	12	37.6	10.0	26	\$514.7	\$1.81	\$43,774	2.5	135.1	62.7	6.6
2030	29,751	8	37.7	10.0	26	\$530.9	\$1.87	\$44,068	2.4	135.5	64.6	6.6
2031	29,804	6	37.8	10.0	26	\$547.5	\$1.92	\$44,363	2.3	135.9	66.5	6.6
2032	29,852	2	37.9	10.0	26	\$564.4	\$1.98	\$44,583	2.5	136.3	68.4	6.6
2033	29,921	24	38.0	10.0	26	\$583.1	\$2.04	\$44,935	2.1	136.8	70.5	6.6
2034	29,983	19	38.1	10.0	26	\$601.0	\$2.10	\$45,244	2.3	137.2	72.6	6.6
2035	30,063	38	38.2	10.1	26	\$619.3	\$2.16	\$45,518	2.4	137.6	74.9	6.6
2036	30,141	38	38.4	10.1	27	\$637.4	\$2.23	\$45,667	2.8	138.1	77.2	6.6
2037	30,215	35	38.4	10.1	27	\$656.4	\$2.31	\$45,799	2.9	138.5	79.6	6.6
2038	30,292	40	38.5	10.1	27	\$676.2	\$2.38	\$45,988	2.7	139.0	82.1	6.6
2039	30,363	34	38.6	10.1	27	\$695.7	\$2.46	\$46,128	2.9	139.5	84.6	6.6
2040	30,434	37	38.7	10.2	27	\$716.0	\$2.54	\$46,289	2.8	140.0	87.2	6.5
2041	30,483	16	38.8	10.2	27	\$736.6	\$2.61	\$46,526	2.6	140.5	89.7	6.5
2042	30,532	18	38.9	10.2	26	\$757.4	\$2.69	\$46,792	2.5	141.0	92.4	6.5
2043	30,558	-5	39.0	10.2	26	\$778.3	\$2.77	\$47,106	2.4	141.5	95.0	6.5
2044	30,586	0	39.1	10.2	26	\$799.7	\$2.85	\$47,479	2.2	142.1	97.6	6.5
2045	30,608	-4	39.2	10.2	26	\$820.6	\$2.94	\$47,793	2.4	142.6	100.4	6.5
2046	30,631	-2	39.3	10.3	26	\$842.5	\$3.02	\$48,129	2.3	143.2	103.2	6.5
2047	30,653	-2	39.4	10.3	26	\$864.8	\$3.11	\$48,467	2.3	143.7	106.1	6.5
2048	30,673	-1	39.6	10.3	26	\$887.8	\$3.20	\$48,817	2.3	144.3	109.1	6.5
2049	30,692	-1	39.7	10.3	26	\$911.6	\$3.29	\$49,179	2.3	144.9	112.1	6.5
2050	30,709	-1	39.9	10.3	26	\$936.1	\$3.39	\$49,555	2.3	145.5	115.2	6.5

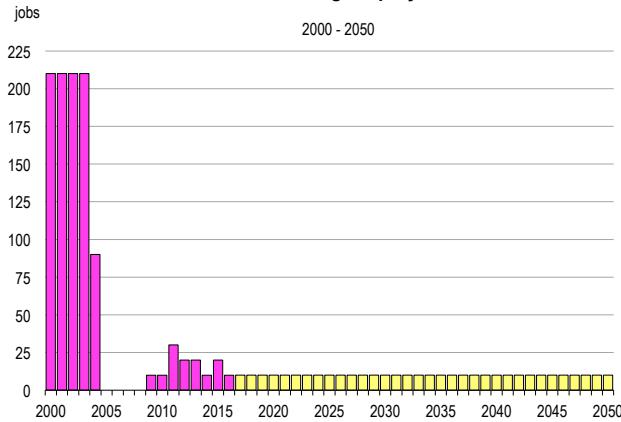


Lassen County Employment Forecast

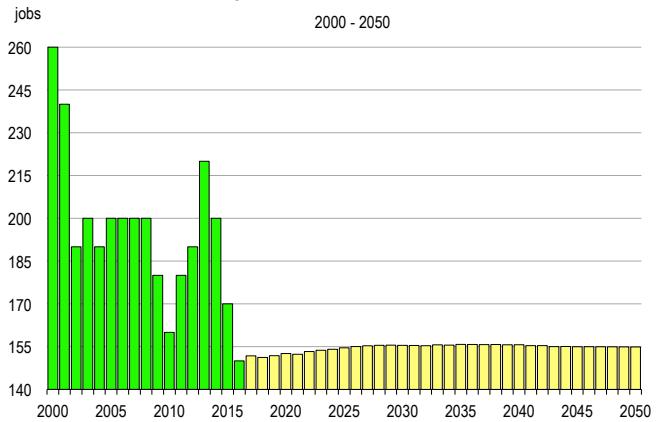
2010-2016 History, 2017-2050 Forecast

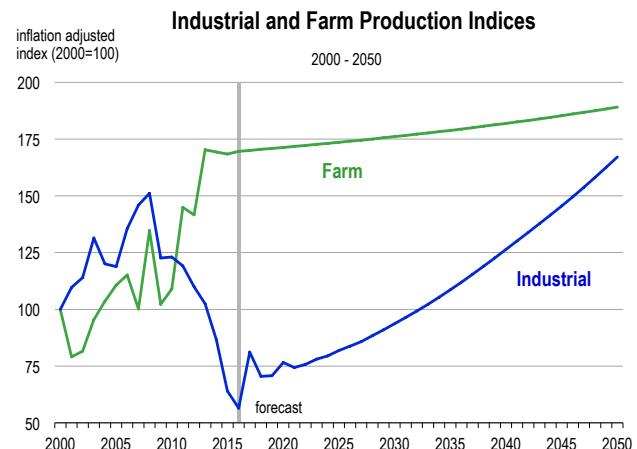
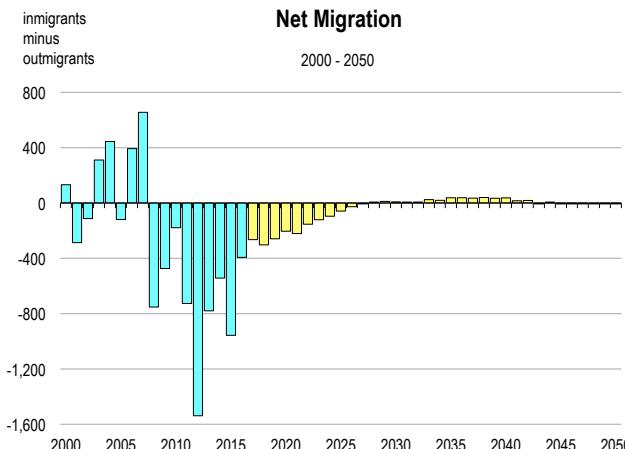
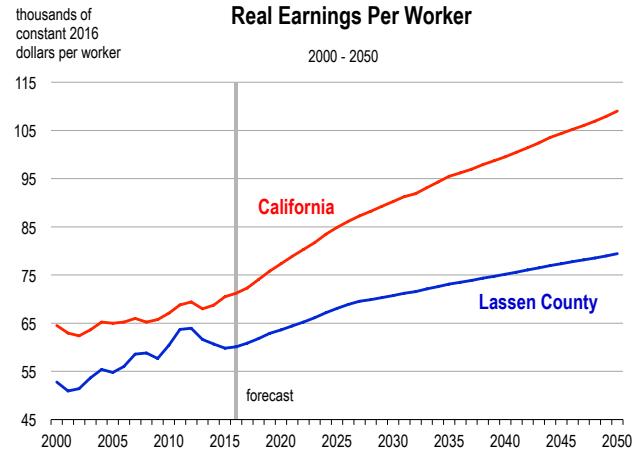
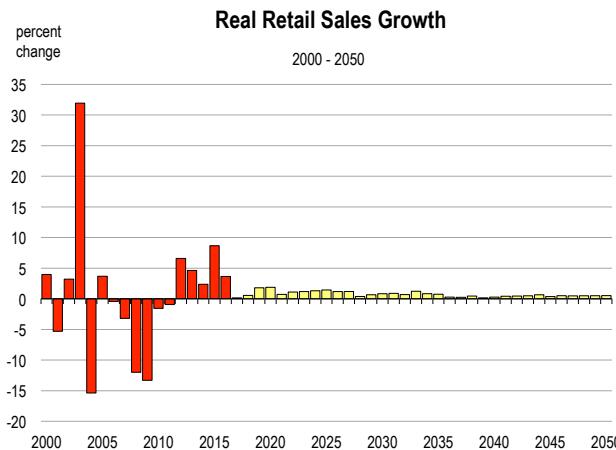
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Retail Trade	Wholesale & Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	10.59	0.44	0.10	0.01	0.10	0.91	0.15	0.16	0.09	1.02	0.62	6.73
2011	10.35	0.56	0.10	0.03	0.09	0.86	0.14	0.18	0.08	1.02	0.61	6.47
2012	10.20	0.73	0.09	0.02	0.07	0.88	0.15	0.19	0.08	0.94	0.58	6.27
2013	10.09	0.65	0.10	0.02	0.07	0.87	0.15	0.22	0.09	0.97	0.61	6.07
2014	10.15	0.67	0.12	0.01	0.07	0.90	0.15	0.20	0.08	0.96	0.66	5.97
2015	10.44	0.72	0.13	0.02	0.07	0.95	0.15	0.17	0.09	0.95	0.67	6.14
2016	10.29	0.73	0.15	0.01	0.08	0.95	0.15	0.15	0.12	0.89	0.62	6.17
2017	10.44	0.73	0.15	0.01	0.08	0.95	0.15	0.15	0.12	0.89	0.63	6.30
2018	10.41	0.73	0.16	0.01	0.07	0.95	0.15	0.15	0.12	0.90	0.63	6.26
2019	10.39	0.73	0.16	0.01	0.07	0.96	0.15	0.15	0.13	0.90	0.63	6.24
2020	10.45	0.73	0.16	0.01	0.06	0.96	0.15	0.15	0.13	0.90	0.63	6.29
2021	10.44	0.73	0.16	0.01	0.06	0.96	0.15	0.15	0.13	0.91	0.63	6.27
2022	10.44	0.73	0.16	0.01	0.06	0.96	0.15	0.15	0.13	0.91	0.63	6.26
2023	10.43	0.73	0.16	0.01	0.06	0.97	0.15	0.15	0.13	0.91	0.63	6.26
2024	10.44	0.74	0.16	0.01	0.06	0.97	0.15	0.15	0.13	0.91	0.63	6.26
2025	10.47	0.74	0.16	0.01	0.06	0.97	0.15	0.15	0.13	0.92	0.63	6.28
2026	10.50	0.74	0.16	0.01	0.06	0.97	0.15	0.16	0.13	0.92	0.63	6.31
2027	10.54	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.34
2028	10.56	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.35
2029	10.59	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.38
2030	10.63	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.41
2031	10.67	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.44
2032	10.69	0.74	0.16	0.01	0.06	0.98	0.15	0.16	0.13	0.92	0.63	6.46
2033	10.75	0.74	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.51
2034	10.79	0.74	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.55
2035	10.83	0.74	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.58
2036	10.84	0.74	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.59
2037	10.85	0.75	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.59
2038	10.88	0.75	0.16	0.01	0.07	0.99	0.15	0.16	0.13	0.92	0.63	6.61
2039	10.89	0.75	0.16	0.01	0.07	1.00	0.15	0.16	0.13	0.92	0.63	6.61
2040	10.90	0.75	0.16	0.01	0.08	1.00	0.15	0.16	0.13	0.92	0.63	6.62
2041	10.93	0.75	0.16	0.01	0.08	1.00	0.15	0.16	0.13	0.92	0.63	6.65
2042	10.96	0.75	0.16	0.01	0.08	1.00	0.15	0.16	0.14	0.92	0.64	6.67
2043	11.00	0.75	0.16	0.01	0.08	1.00	0.15	0.16	0.14	0.92	0.64	6.70
2044	11.05	0.75	0.16	0.01	0.08	1.00	0.15	0.16	0.14	0.92	0.64	6.75
2045	11.09	0.75	0.16	0.01	0.08	1.00	0.15	0.15	0.14	0.92	0.64	6.78
2046	11.13	0.75	0.16	0.01	0.08	1.01	0.15	0.15	0.14	0.92	0.64	6.82
2047	11.18	0.75	0.16	0.01	0.08	1.01	0.15	0.15	0.14	0.92	0.64	6.85
2048	11.22	0.76	0.16	0.01	0.08	1.01	0.15	0.15	0.14	0.92	0.64	6.89
2049	11.27	0.76	0.16	0.01	0.08	1.01	0.15	0.15	0.14	0.92	0.64	6.93
2050	11.31	0.76	0.16	0.01	0.08	1.01	0.15	0.15	0.14	0.92	0.64	6.97

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2017-2021)

Expected retail sales growth	6.2%
Expected job growth	-0.1%
Fastest growing jobs sector	Information
Expected personal income growth	6.1%

Expected population growth:	-2.7%
Net migration to account for:	N/A
Expected growth in number of vehicles:	0.4%

Demographics (2017)

Unemployment rate (April 2017):	6.4%
County rank* in California (58 counties):	37th
Working age (16-64) population:	72.0%

Population with B.A. degree or higher:	12.9%
Median home selling price (2016):	\$139,500
Median household income:	\$53,905

Quality of Life

Violent crime rate (2015):	701 per 100,000 persons
County rank* in California (58 counties):	53rd
Average commute time to work (2017):	22 minutes

High School drop out rate (2016):	9.5%
Households at/below poverty line (2017):	12.5%

* The county ranked 1st corresponds to the lowest rate in California